

100002581

INSTRUMENT PREPARED BY  
VIRGINIA GAS AND OIL BOARD

ORDER RECORDED UNDER CODE  
OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

SUPPLEMENTAL ORDER REGARDING                      DOCKET NO. VGOB 08/12/09-2395  
ELECTIONS, UNIT: VCI-539482

(hereinafter "Subject Drilling Unit").

REPORT OF BOARD

FINDINGS AND ORDER

1. This Supplemental Order is entered by the Board sua sponte in the form authorized by the Board at its hearing held at 9:00 a.m. on October 20, 1992, Board of Supervisors Room, Courthouse, Grundy, Virginia, and pursuant to authority granted to the Board's Chairman at the hearing of the Virginia Gas and Oil Board on June 16, 1992, at 9:00 a.m. at the Rhododendron Restaurant at the Breaks Interstate Park, Breaks, Virginia; and this Supplemental Order is being recorded for the purpose of (1) complying with the requirement of the Virginia Gas and Oil Board Regulations, 4 VAC 25-160.70C by supplementing the Order previously issued by the Board for subject Docket on August 31, 2009, and recorded in Instrument # 090003091 in the Office of the Clerk of Circuit Court, Buchanan County, Virginia on October 13, 2009, (herein "Board Order") to complete the record regarding elections. The Board Order pooled all interest in Subject Drilling Unit including those of the Respondents more particularly set forth and identified by the Designated Operator in the affidavits attached hereto and made a part hereof. The Board finds it has jurisdiction over the subject matter pursuant to the provisions of the Virginia Gas and Oil Act, § 45.1-361.1 et seq., Virginia Code, 1950 as amended.
2. Findings: The Board finds that:
  - (a) The Board Order directed EQT Production Company, (herein the Designated Operator"), to mail copies of the Board Order to all respondents whose interest, if any, were pooled by said Board Order;
  - (b) The designated operator filed its affidavit of mailing dated December 3, 2009, disclosing that it had mailed a correct copy of the Board's Order to all Respondents whose interest, if any, were pooled by said Board Order;
  - (c) The Board Order required each Respondent whose interest, if any, were pooled by the terms of said Board Order to make his or her election within thirty (30) days after the date of mailing or recording, as applicable, of said Order; the

Designated Operator has filed its affidavit dated June 7, 2010, in accordance with § 7.C of the Virginia Gas and Oil Board Regulations and 4 VAC 25-160.70C (herein "Affidavit of Election"), wherein it has, for each Respondent whose interest, if any, were pooled by said Board Order, stated: (i) whether each Respondent has made or failed to make a timely election; (ii) the nature of the election made, if any; (iii) whether, by reason of a failure to elect or to timely elect one or more Respondents are deemed, under the terms of the Board's Order, to have leased all their rights, title, interest, estates and claims in Subject Drilling Unit to the Designated Operator;

- (d) The Board Order further required the Designated Operator, after expiration of the election period, to file with the Board a statement of the interests subject to escrow under the terms and provisions of the Board Order, in light of the elections made or deemed to have been made (herein "Statement of Interests"); that the Designated Operator furnished said Statement of Interests as part of its Affidavit of Election. A copy of which is attached hereto as Exhibit B;
  - (e) Current Board standards requiring the escrow of funds and the Board's agreement with its Escrow Agent, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN, 37660 (423) 245-6971, Attn: Debbie Davis, or any successor named by the Board, require the entry of a Supplemental Order establishing of record the elections made or deemed to have been made and specifying the sums or percentage thereof subject to escrow. Current Board escrow standards were made applicable to Subject Drilling Unit by a Board Order dated December 23, 1992.
3. Order: By this Order, the Board orders the Designated Operator to tender, consistent with and in accordance with the findings set forth at paragraph 2 above and the annexed Affidavits, any funds subject to escrow and instructs the Escrow Agent, First Bank & Trust Company, P.O. Box 3860, Kingsport, TN, 37660 (423) 245-6971, Attn: Debbie Davis, or any successor named by the Board to establish interest-bearing escrow account(s), IRS Tax Identification Number 54-1629506, in accordance with the information set forth in said affidavits to receive such funds and account to the Board therefore.
  4. Mailing of Order and Filing of Affidavit: The Designated Operator under the captioned Order or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that a true and correct copy of this Order was mailed to each person whose interest or claim is subject to escrow and whose address is known.
  5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
  6. Effective Date: This Order shall be effective on the date of its execution.

DONE AND EXECUTED this 23 day of August, 2010 by a majority of the Virginia Gas and Oil Board.

Bradley C. Lambert  
Chairman, Bradley C. Lambert

DONE AND PERFORMED THIS 23 day of August, 2010 by Order of this Board.

David E. Asbury Jr.  
David Asbury Jr.  
Principal Executive To The Staff  
Virginia Gas and Oil Board

STATE OF VIRGINIA       )  
COUNTY OF RUSSELL    )

Acknowledged on this 23<sup>rd</sup> day of August, 2010, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, and David Asbury Jr., being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that they executed the same and was authorized to do so.

Diane J Davis  
Diane Davis, Notary  
174394



My commission expires: September 30, 2013.

**VIRGINIA:**

***BEFORE THE VIRGINIA GAS AND OIL BOARD***

IN RE: Application of EQT Production Company, for Forced Pooling of Interests in Unit Number VCI-539482 VGOB Docket No. VGOB-08/12/09-2395 in the Prater Magisterial District of Buchanan County, Virginia.

**AFFIDAVIT OF WILHOIT & KAISER, Attorneys-at-Law, Agents for the Designated Operator REGARDING ELECTIONS, ESCROW ACCOUNTS AND SUPPLEMENTAL ORDER**

James E. Kaiser (herein Affiant), being first duly sworn on oath, deposes and says:

1. That the Affiant is an attorney in the law firm of WILHOIT & KAISER, the Agent for the Designated Operator, with offices located at 220 Broad Street, Kingsport, Tennessee 37660, and is authorized to give this Affidavit in its behalf;
2. That the Order entered on August 31, 2009, by the Virginia Gas and Oil Board regarding the captioned coalbed methane Unit required the Applicant to mail a true and correct copy of said Order to each person pooled by said Order;
3. That within seven (7) days of the receipt of an executed copy of the Order referred to at Paragraph 2. above, the Affiant was directed to cause a true and correct copy of said Order to be mailed via the United States Postal Service to each Respondent named in the captioned Application, whose address was known, and to all persons, if any, who are added as Respondents at the hearing held in the captioned matter;
4. That the Order of the Virginia Gas and Oil Board in the captioned matter required all persons pooled thereby to tender their written elections to the Unit Operator within thirty (30) days of the date said Order was recorded in the county above named; that said Order was recorded on October 13, 2009.
5. That the Designated Operator, by and through their agent, Wilhoit & Kaiser, Attorneys-at-Law, have established procedures to review all mail received and all written documents received by means other than by mail to ascertain whether parties whose interest have been pooled have made a written election, in a timely fashion, as required by the captioned Order; that said procedures were followed to identify the elections, if any, made with regard to Subject Unit; that the following persons delivered, by mail or otherwise, written elections to the Unit Operator, within the thirty day election periods:

NONE

6. That the interest and/or claims of the following persons (who made timely elections, or who are deemed under the terms of the Board's Order to have leased, or who, subsequent to the pooling hearing held in the captioned matter, have leased or otherwise entered into an agreement with the Designated Operator) are subject to escrow as either unknown claimants or conflicting claimants under the Board's Order pooling the captioned Unit, Board Regulations and the Code of Virginia; that opposite the name of each person named as a Respondent listed below is set forth:

See Exhibit E

7. That after the pooling hearing held in the captioned matter, the following persons have leased or entered into a voluntary agreement with the Designated Operator with regard to their interest and/or claims.


NONE

8. That the following persons have not made a timely election and have failed to enter into an agreement with the Designated Operator and their respective interests shall be deemed to have leased pursuant to and in accordance with paragraph 10 of the Order.

See Exhibit B-3



That pursuant to the provision of 4VAC 25-160.70C annexed hereto and incorporated herein is a proposed supplemental order to be entered to complete the record regarding elections; that said annexed supplemental order sets forth that the services of the Escrow Agent are required in this matter pursuant to the terms of §§ 45.1-361.21.D.

Dated at Kingsport, Tennessee, this 7th day of June, 2010.

  
\_\_\_\_\_  
Affiant

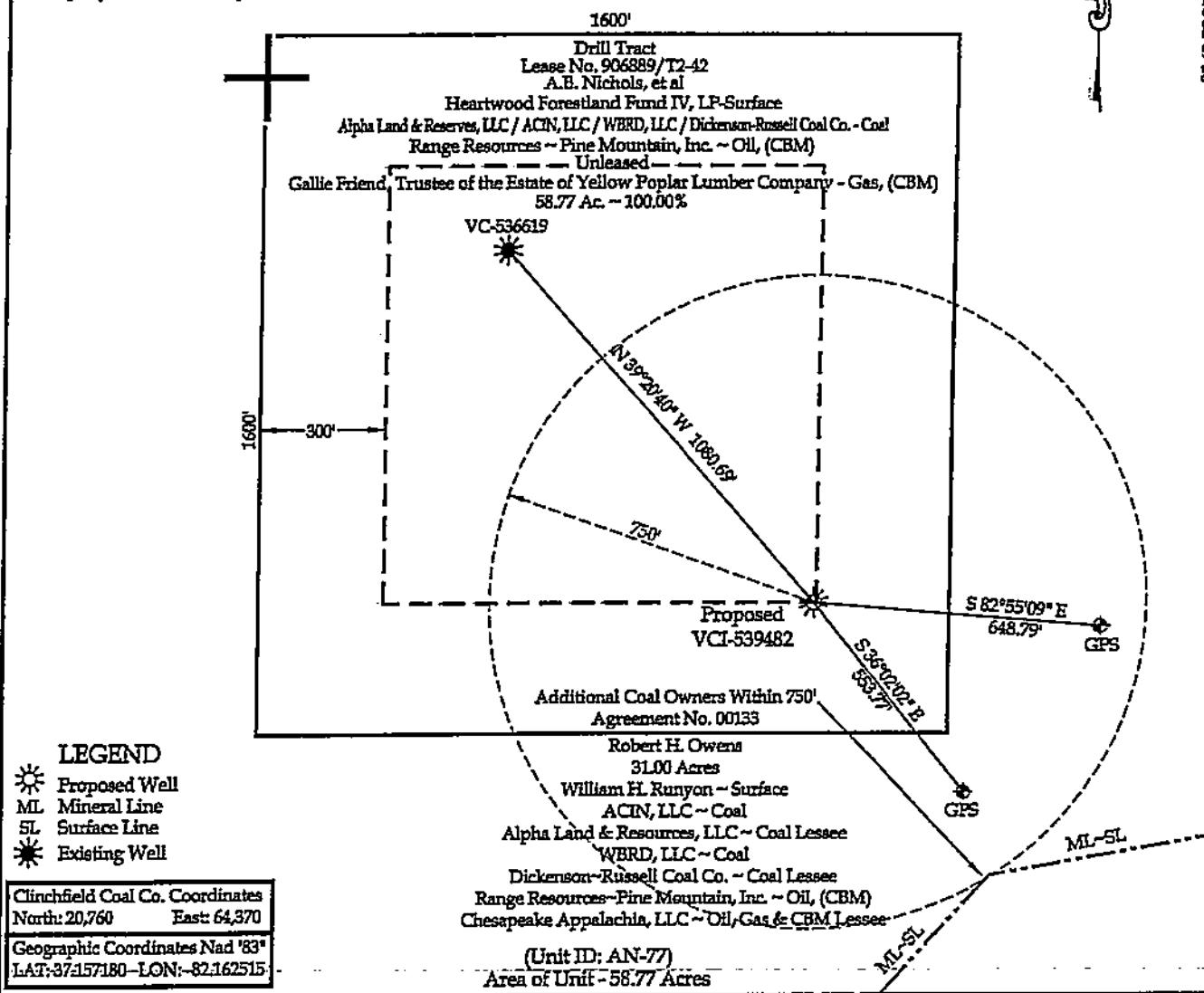
State of Tennessee     )  
County of Sullivan    )

Taken, subscribed and sworn to before me by James E. Kaiser, the Agent of EQT Production Company, a corporation, on behalf of the corporation, this 7th day of June, 2010.

  
\_\_\_\_\_  
Susan Peterson, Notary  


My commission expires: October 24, 2012.

1. Well Coordinates are based on the Virginia State Plane Coordinate System NAD '83/NAVD '88 as Calculated From Either Cindy Az Mark or by NGS/NOAA Opus Static Solution. Closed Loop Traverse & Trigonometric Leveling Were Used To Determine Actual Staked Location. Scale Factor/Combined Factor Was Not Applied.
2. Clinchfield Coal Co. Coordinates were determined by Conversion from Virginia State Plane.
3. Property Information Provided by Equitable Production Co.
4. Property Lines Not Surveyed.



**EXHIBIT "B"**  
**VCI-539482**

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown	Unleased	100.000000%	58.7700	0.1250	RI
	EQT Production Company				0.8750	WI
<u>Tract 1 Totals</u>			<u>100.000000%</u>	<u>58.7700</u>	<u>1.0000</u>	
	<b>TOTAL GAS ESTATE</b>		<b>100.000000%</b>	<b>58.7700</b>	<b>1.0000</b>	
	Percentage of Unit Leased		0.000000%			
	Percentage of Unit Unleased		100.000000%			
	Acreage in Unit Leased			0.0000		
	Acreage in Unit Unleased			58.7700		
<u>Coal Estate Only</u>						
1	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889/T2-42	100.000000%	58.7700	0.1250	RI
	EQT Production Company				0.8750	WI
<u>Tract 1 Totals</u>			<u>100.000000%</u>	<u>58.7700</u>	<u>1.0000</u>	
	<b>TOTAL COAL ESTATE</b>		<b>100.000000%</b>	<b>58.7700</b>	<b>1.0000</b>	
	Percentage of Unit Leased		100.000000%			
	Percentage of Unit Unleased		0.000000%			
	Acreage in Unit Leased			58.7700		
	Acreage in Unit Unleased			0.0000		

8



**EXHIBIT "B-3"**  
**VCI-539482**

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown	Unleased	100.000000%	58.77
Total Gas Estate			100.000000%	58.7700

**EXHIBIT "E"**  
**VCI-539482**

<u>TR</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>
<u>Gas Estate Only</u>				
1	Gallie Friend, Trustee of the Estate of Yellow Poplar Lumber Company Unknown	Unleased	100.000000%	58.7700
	<b>TOTAL GAS ESTATE</b>		100.000000%	58.7700
<u>Coal Estate Only</u>				
1	Range Resources-Pine Mountain, Inc. Attn: Jerry Grantham P.O. Box 2136 Abingdon, VA 24212	Leased 906889/T2-42	100.000000%	58.7700
	<b>TOTAL COAL ESTATE</b>		100.000000%	58.7700

INSTRUMENT #100002581  
RECORDED IN THE CLERK'S OFFICE OF  
BUCHANAN COUNTY ON  
SEPTEMBER 21, 2010 AT 02:44PM

BEVERLY S. TILLER, CLERK  
RECORDED BY: GGB

20